

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:)	
)	
Telecommunications Relay Services and)	CC Docket No. 98-67
Speech-to-Speech Services for Individuals)	
with Hearing and Speech Disabilities)	
)	
National Exchange Carrier Association)	
Payment Formula and Fund Size Estimate)	
Interstate Telecommunications Relay Services)	
(TRS) Fund for July 2004 Through June 2006)	

REPLY COMMENTS OF VERIZON¹

The Commission should again reject AT&T's claim that access customers should be exempt from supporting the TRS Fund. *See* AT&T Comments at 6-7. AT&T argues that "flowing back" TRS contributions in access charges is somehow an "implicit subsidy" and, without citation, claims that such "flowback" is unlawful. AT&T is wrong on both counts.

When AT&T raised the identical argument two years ago, the Commission rejected it as not germane, agreeing with NECA, SBC and Verizon that

this Order is not the appropriate vehicle for addressing these issues. The only subject of this Order is the Interstate TRS Fund size, carrier contribution rate, and provider compensation rates for the July, 2003 through June, 2004 fund year, as proposed by NECA pursuant to our rules.

¹ The Verizon telephone companies and long distance companies (collectively "Verizon") are the affiliated local exchange and interexchange carriers of Verizon Communications Inc., which are listed in Attachment A hereto.

Order, 18 FCC Rcd 12823, ¶ 43 (2003). This proceeding is likewise limited to these same issues for the current fund year, and the Commission should again decline to reach the method of recovery of carrier contributions into the fund.

AT&T argues, however, that the issue should be considered either here or “in another appropriate forum.” AT&T Comments at 7. If it chooses to address the issue, the Commission should reject AT&T’s contentions as without merit.

AT&T makes no attempt to show that requiring access customers to pay a portion of the local exchange carrier’s TRS Fund contributions is inappropriate. As a matter of public policy, all users of telecommunications services should contribute their share to facilitate use of telecommunications by persons with disabilities. It is regrettable that AT&T is attempting to deny its responsibility in this area, and the Commission should reject AT&T’s claim on this basis alone.

Moreover, to the extent such payments are considered to be “implicit subsidies,” any such subsidies are not “impermissible under statute and applicable precedent” as AT&T claims. *Id.* Verizon demonstrated two years ago that the only statutory provision that addresses implicit subsidies is section 254(e), and that section relates only to universal service, not services for people with disabilities, such as TRS. *See* Reply Comments of Verizon, CC Docket No. 98-67 at 2-3 (filed May 29, 2003). As Verizon pointed out,

The TRS Fund is not part of universal service. Rather it was established with independent statutory authority under the Americans with Disabilities Act of 1990. It does not contain the same “explicit and sufficient” language that courts have relied on in prohibiting implicit subsidies under section 254(e). Instead, the TRS statute allows recovery of TRS costs from all interstate services. Thus, AT&T’s arguments about the

prohibition against “implicit subsidies” do not apply to recovery of TRS Fund contributions.

Id. at 3 (footnotes omitted). The only legal precedents AT&T refers to in support of its claim are universal service cases implementing section 254(e), which does not relate to TRS. Therefore, AT&T has proffered no valid support for its claim that including TRS payments in access charges violates any legal precedent.

Accordingly, the Commission should again reject AT&T’s claim as not germane to this proceeding. If it reaches the substance of AT&T’s arguments, the Commission should deny them as without merit.

Respectfully submitted,

VERIZON

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THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local and long distance exchange carriers affiliated with Verizon Communications Inc. These are:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance
Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Southwest Incorporated d/b/a Verizon Southwest
NYNEX Long Distance, Inc. d/b/a Verizon Enterprise Solutions
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon Select Services Inc
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.